



Public Service Commission of Wisconsin

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PSC Cautions Feds on Regional Transmission Pricing Plan

MADISON – The Public Service Commission of Wisconsin (PSC) filed comments today with federal regulators raising serious concerns about a regional transmission pricing plan because it is not ready for implementation and could cost Wisconsin more to import power.

“The Midwest Independent Transmission System Operator (MISO) is not prepared to put a transmission market plan of this magnitude into operation by December 2004,” according to Burnie Bridge, PSC Chairperson.

MISO, an Indiana-based nonprofit agency managing regional power, filed a plan with the Federal Energy Regulatory Commission (FERC) that would charge states with constrained transmission systems, like Wisconsin, more to purchase wholesale power. Earlier this year, Wisconsin utilities and energy consumer groups asked FERC to delay implementation of the MISO plan for five years.

“Our geography presents issues that require specialized attention by MISO and some of the concerns we have had about the development of markets remain unresolved,” Commissioner Ave Bie said.

In their comments to FERC, the Commission questioned whether MISO’s plan is really ready for implementation, pointing to the following issues:

- MISO’s treatment of financial transmission rights (FTRs) do not ensure Wisconsin customers will receive the same level and quality of service.
- MISO does not have performance measures to demonstrate they can effectively move electricity under their plan.
- MISO has not developed formal agreements with transmission operators in other systems to effectively move electricity from one jurisdiction to the other.

“MISO’s proposal does not provide adequate assurances that it can deliver on its promise of lower costs and better transmission service to Wisconsin consumers,” Commissioner Bert Garvin said. “While I strongly support efforts to develop wholesale markets, Wisconsin can ill afford higher transmission costs from a flawed market design at a time we have committed to construct billions of dollars in needed generation and transmission facilities across the state. I hope that FERC will take whatever steps are necessary to ensure Wisconsin consumers are held harmless from a market design that presents significant reliability and economic risks to Wisconsin. ”

The Commission also called on FERC to make sure that states like Wisconsin with constrained transmission systems are protected from increased prices for importing purchased wholesale power. Wisconsin is currently investing in transmission infrastructure to address the constrained system.

FERC will probably make a decision on the MISO plan later this summer. “Our goal is to slow down the implementation of the plan so we can continue to work with MISO on a better approach to creating a competitive wholesale electricity market in the Upper Midwest without penalizing states like Wisconsin that are working to update the transmission infrastructure,” Bridge said.

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